



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0144	Title:	Building standards for residences in wildland-urban interface
Primary Sponsor:	Laible, Rick	Status:	As Introduced

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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$454,604	\$342,504	\$351,067	\$359,843
Revenue:				
State Special Revenue	\$458,320	\$350,480	\$350,480	\$350,480
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The fiscal impact is for the cost associated with adding staff to permit, inspect, and enforce the International Wildland Urban Interface Code and rule writing.

FISCAL ANALYSIS

Assumptions:

Department of Labor and Industry (DoLI)

- SB144 requires the Department of Labor and Industry to adopt rules to mitigate fire hazards pursuant to 76-3-504 (1) (e), MCA,
- It is assumed that the DoLI will adopt the International Wildland-Urban Interface code which includes inspections to ensure compliance.
- Currently the DoLI performs electrical inspections on an average (over last 6 fiscal years) of 4,494 single family residences. It is assumed of these 4,494 approximately 60% fall into an area probable for Wildland-Urban Interface designation or 2,696 residences. It is assumed the department will experience an increase of approximately 5,392 inspections per year (2696 residences x 2 inspections (minimum) each). Currently building inspectors can average approximately 1,044 inspections per inspector, per year, therefore it is assumed an additional 5,392 inspections would require 5 additional building inspectors.
- Personal services for 5.00 FTE Building Inspectors is \$246,480 each year of the biennium
- There will be a one time field office set up for the Building Inspectors for a total cost of \$17,000 in FY 2010.

6. Non personal service expenses in the amount of \$59,815 for each year of the biennium include: fuel, maintenance/repairs and tires, computer connectivity charges, telephone charges, and agency indirect costs.
7. It is estimated that there will be an initial equipment cost for purchase of vehicles for the additional field building inspectors of \$92,500 in FY 2010. Inspection vehicles historically are run for an average of 3 ½ to 4 years of service before replacement.
8. It is assumed that the permitting/inspection provisions of the bill will require a 1.00 FTE license permit technician who would be responsible for the permitting and administrative functions associated with the adopted code with an annual cost of \$31,302. One-time only office costs are \$2,600 in FY 2010. Non personal services expenses will be \$4,907 each year.
9. Total costs for FY 2010 \$454,604. Total costs for FY 2011 \$342,504. Costs for FY 2012 and FY 2013 are inflated 2.5% per year.
10. SB 144 gives the department rule making authority to perform inspections to ensure compliance. Permit/inspection fees shall be commensurate with costs. The estimated permit/inspection fees for the first year of the program (FY 2010) are \$170.00 per permit (\$170.00 x 2,696 = \$458,320). The estimated permit/inspection fees for the subsequent years of the program (FY 2011, 2012, and 2013) are \$130.00 per permit (\$130.00 x 2,696 = \$350,480). For purposes of this fiscal note, the number of inspections is shown as constant although it may increase somewhat over time.
11. DoLI enforcement of building code rules adopted pursuant to 50-60-901, MCA, will be conducted using the enforcement methods authorized in Title 50, chapter 60, part 1, MCA.
12. Rules adopted pursuant to 50-60-901, MCA, are not part of the "state building code" provided for by Title 50, chapter 60, part 2, MCA, nor are they part of the county, city, or town building codes provided for by Title 50, chapter 60, part 3, MCA, or the factory-built building codes provided by Title 50, chapter 60, part 4, MCA.

FTE	6.00	6.00	6.00	6.00
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Expenditures:

Personal Services	\$277,782	\$277,782	\$284,727	\$291,845
Operating Expenses	\$84,322	\$64,722	\$66,340	\$67,999
Equipment	\$92,500	\$0	\$0	\$0
TOTAL Expenditures	\$454,604	\$342,504	\$351,067	\$359,843

Funding of Expenditures:

State Special Revenue (02)	\$454,604	\$342,504	\$351,067	\$359,843
TOTAL Funding of Exp.	\$454,604	\$342,504	\$351,067	\$359,843

Revenues:

State Special Revenue (02)	\$458,320	\$350,480	\$350,480	\$350,480
TOTAL Revenues	\$458,320	\$350,480	\$350,480	\$350,480

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02)	\$3,716	\$7,976	(\$587)	(\$9,363)
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Effect on County or Other Local Revenues or Expenditures:

1. Rules adopted pursuant to 50-60-901, MCA, are not part of the "state building code" provided for by Title 50, chapter 60, part 2, MCA, nor are they part of the county, city or town building codes provided for by Title 50, chapter 60, part 3, MCA and as such it appears local certified building code jurisdictions will not

be given the same responsibilities for adopting the International Wildland Urban Interface code or perform inspections to ensure compliance.

2. 76-3-501, MCA, does provide for certain enforcement actions by local governments

Technical Notes:

1. Enforcement of rules adopted pursuant to 50-60-901, MCA, [part 9 of Title 50, chapter 60] needs to be reflected in the following provisions of Title 50, chapter 60, part 1, MCA:
 - 50-60-101 [amend to include reference to part 9]
 - 50-60-103 [amend to include reference to part 9]
 - 50-60-105 [amend to include reference to part 9]
 - 50-60-109 [amend to include reference to part 9]
 - 50-60-110 [amend to include reference to part 9]
2. It is unclear whether a construction permit will be required for a building subject to the provisions of part 9.
 9. If a permit is required, 50-60-108, MCA, needs to be amended to include a reference to part 9.

Sponsor's Initials

Date

Budget Director's Initials

Date